



United States Department of State

*Bureau of Politico-Military Affairs
Office of Defense Trade Controls*

Washington, D.C. 20522-0602

PROPOSED CHARGING LETTER

Japan Aviation
Electronics Industry Ltd

The Office of Defense Trade Controls, Bureau of Politico-Military Affairs, United States Department of State (Department) charges that Japan Aviation Electronics Industry Ltd. (hereinafter referred to as JAE) has violated the provisions of Section 38(c) of the Arms Export Control Act (22 U.S.C. § 2778(c)) and Sections 121.1(a), 123.1, 123.9, 124.1, 124.3, 124.7, 124.8, 124.9, 124.10, 124.11, 125.1, 125.2, 125.7, 126.1, 127.1(a)(1), 127.1(b), 127.1(d) and 127.3(a) of the International Traffic in Arms Regulations (currently codified at 22 C.F.R. Parts 120-130) (the Regulations), issued pursuant to Sections 38 and 39 of the Arms Export Control Act (22 U.S.C. §§ 2778 & 2779) (the Act) as set forth below.

Facts constituting violations:

Charge 1

On or about February 27, 1986, JAE transferred twenty-one (21) gyroscopes for the LN-12D Inertial Navigation System (LN-12D), defense articles, in violation of a Manufacturing Licensing and Technical Assistance Agreement approved by the Department, without obtaining the requisite approval of the Department.

Charge 2

On or about February 27, 1986, JAE exported and reexported and caused to be exported and reexported to Iran twenty-one (21) gyroscopes for the LN-12D, defense articles, without obtaining the requisite approval of the Department.

Charge 3

On or about February 28, 1986, JAE transferred six (6) gyroscopes and one (1) accelerometer for the LN-12D, defense articles, in violation of a Manufacturing Licensing and Technical Assistance Agreement approved by the Department, without obtaining the requisite approval of the Department.

Charge 4

On or about February 28, 1986, JAE exported and reexported and caused to be exported and reexported six (6) gyroscopes and one (1) accelerometer for the LN-12D, defense articles, without obtaining the requisite approval of the Department.

Charge 5

On or about March 26, 1986, JAE transferred thirty (30) gyroscopes for the LN-12D, defense articles, in violation of a Manufacturing Licensing and Technical Assistance Agreement approved by the Department, without obtaining the requisite approval of the Department.

Charge 6

On or about March 26, 1986, JAE exported and reexported and caused to be exported and reexported to Iran thirty (30) gyroscopes for the LN-12D, defense articles, without obtaining the requisite approval of the Department.

Charge 7

On or about April 6, 1986, JAE transferred nine (9) gyroscopes for the LN-12D, defense articles, in violation of a Manufacturing Licensing and Technical Assistance Agreement approved by the Department, without obtaining the requisite approval of the Department.

Charge 8

On or about April 6, 1986, JAE exported and reexported and caused to be exported and reexported to Iran nine (9) gyroscopes for the LN-12D, defense articles, without obtaining the requisite approval of the Department.

Charge 9

On or about April 28, 1986, JAE transferred three (3) gyroscopes for the LN-12D, defense articles, in violation of a Manufacturing Licensing and Technical Assistance Agreement approved by the Department, without obtaining the requisite approval of the Department.

Charge 10

On or about April 28, 1986, JAE exported and reexported and caused to be exported and reexported to Iran three (3) gyroscopes for the LN-12D, defense articles, without obtaining the requisite approval of the Department.

Charge 11

On or about May 23, 1986, JAE transferred ten (10) gyroscopes for the LN-12D, defense articles, in violation of a Manufacturing Licensing and Technical Assistance Agreement approved by the Department, without obtaining the requisite approval of the Department.

Charge 12

On or about May 23, 1986, JAE exported and reexported and caused to be exported and reexported to Iran ten (10) gyroscopes for the LN-12D, defense articles, without obtaining the requisite approval of the Department.

Charge 13

On or about June 26, 1986, JAE transferred twelve (12) gyroscopes for the LN-12D, defense articles, in violation of a Manufacturing Licensing and Technical Assistance Agreement approved by the Department, without obtaining the requisite approval of the Department.

Charge 14

On or about June 26, 1986, JAE exported and reexported and caused to be exported and reexported to Iran twelve (12) gyroscopes for the LN-12D, defense articles, without obtaining the requisite approval of the Department.

Charge 15

On or about July 21, 1986, JAE transferred seventeen (17) gyroscopes for the LN-12D, defense articles, in violation of a Manufacturing Licensing and Technical Assistance Agreement approved by the Department, without obtaining the requisite approval of the Department.

Charge 16

On or about July 21, 1986, JAE exported and reexported and caused to be exported and reexported to Iran seventeen (17) gyroscopes for the LN-12D, defense articles, without obtaining the requisite approval of the Department.

Charge 17

On or about August 29, 1986, JAE transferred sixteen (16) gyroscopes for the LN-12D, defense articles, in violation of a Manufacturing Licensing and Technical Assistance Agreement approved by the Department, without obtaining the requisite approval of the Department.

Charge 18

On or about August 29, 1986, JAE exported and reexported and caused to be exported and reexported to Iran sixteen (16) gyroscopes for the LN-12D, defense articles, without obtaining the requisite approval of the Department.

Charge 19

On or about September 25, 1986, JAE transferred three (3) gyroscopes for the LN-12D, defense articles, in violation of a Manufacturing Licensing and Technical Assistance Agreement approved by the Department, without obtaining the requisite approval of the Department.

Charge 20

On or about September 25, 1986, JAE exported and reexported and caused to be exported and reexported to Iran three (3) gyroscopes for the LN-12D, defense articles, without obtaining the requisite approval of the Department.

Charge 21

On or about March 24, 1987, JAE exported and reexported and caused to be exported and reexported to Iran one (1) Honeywell GG1163 gyroscope, a defense article, without obtaining the requisite approval of the Department.

The Department alleges that JAE committed a total of twenty-one (21) substantive violations of Sections 123.9, 124.9, 124.10 or 124.11, including eleven (11) violations of Section 126.1, each of which involves U.S.-origin defense articles controlled by the Department under Section 38 of the Act in the furtherance of world peace and the foreign policy and security interests of the United States.

Accordingly, JAE is hereby notified that an administrative proceeding is instituted against it pursuant to Section 38(e) of the Act and Section 127.6 of the Regulations for the purpose of obtaining an Order imposing administrative sanctions, including any or all of the following:

Revocation of licenses and other written approvals by, for or to JAE, under Section 126.7(a)(1) & (2);

Denial of applications for export licenses or other requests for written approvals by, for or to JAE, under Section 127.6(a);

Imposition of the maximum civil penalty allowed by law of \$500,000.00 for each violation, for a total of \$10,500,000.00, under Section 127.9;

A copy of Parts 120 through 130 of the Regulations is enclosed.

If JAE fails to answer the charges contained in this letter within 30 days after service as provided in Section 128.5 of the Regulations, that failure will be treated as a default under Section 128.4.

JAE is further notified that it is entitled to an agency hearing on the record, as provided in Section 128.8 of the Regulations, if a written demand for one is filed with its answer, to be represented by counsel, and to seek a consent settlement as provided under Section 128.11.

JAE's answer should be filed with the Office of the Administrative Law Judge, Room H-6716, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230. In addition, a copy of JAE's answer should be served on the Director, Office of Defense Trade Controls, Room 200, State Annex 6, Department of State, Washington, D.C. 20522-0602.

Sincerely

William B. Robinson
Director